

This article discusses the author's experience in transformational leadership over the past four years. The change in his leadership style matched the changing role from engineering manager to managing director of a public company.

Transition from management to leadership

by Roger Olds



I have been involved in consulting engineering for my entire career since graduating as a civil engineer from Monash University in 1978. With post-graduate qualifications in geotechnical engineering and some accounting and marketing study, I was not particularly focused on a career in management, but did have an interest in the commercial issues of running the consulting business successfully.

After moving into a state manager's role in 1989, the challenge of successful management became a reality. This included not only the day-to-day operations, but also the longer-term issues of creating a culture that would see sustained success for the Coffey business. When Coffey floated on the Australian Stock Exchange in 1990, it set itself apart from other consulting businesses. While it was not one of the biggest consulting firms in Australia it was one of the more profitable.

After taking on larger management roles in the early 1990s I became group managing director in 1996. At that time the company's strategic direction was unclear and most of the partners who had floated the firm had left.

At the beginning there was a lot of gut feel and instinct applied, and many mistakes were made.

I joined The Executive Connection as a management learning forum. I was also introduced to the concept of transformational leadership in the first alliance contract that Coffey pursued – the Port of Brisbane Motorway Alliance. It was at this time that the concepts of high-performance teams, breakthroughs and achieving the extraordinary started to become part of the project vocabulary.

This led to undertaking a course in transformational leadership over four one-week periods between July 2002 and February 2003. As a result of this course I gained a greater insight into my personal style as a leader, and how that style needed to change with my changing role in the company.

Roger Olds on the Toorak Road overpass of the Monash Freeway in Melbourne for which Coffey did consultancy work.

This role change involved stepping away from the operational responsibility for the Coffey consulting business and devoting my full-time attention to the role of managing director of Coffey International. While I had held this position since 1996, it occupied less of my time than the day-to-day pressures of running the consulting business with 300 staff. I felt that I was doing neither job to my full potential. However, it took time for the company to grow sufficiently to allow me to step into the role of managing director full-time.

Having experienced great success with our first alliance project, coached by the firm which would run the course, I thought it was worth taking the risk of attending this course rather than the more conventional leadership training available at the major business schools. I felt there was little to lose.

If leaders want people to follow them, they need to create a future that is worthwhile for staff. Successful leaders will set the context for what they expect and how they expect to get there. This does not mean the leaders decide what to do and then tell everyone to get on with it; rather they ensure that the vision and values of the company are clearly defined and that employees know what sort of behaviour is acceptable. Coffey's vision and values are clearly articulated.

But defining the vision and values is only half of the challenge. The other half is aligning the behaviour of the people in the organisation with those values. Otherwise there is a major disconnect which must be resolved.

It is important to identify any misalignments and to actively discuss the issues surrounding them. The actions taken by leaders to deal with them can, and most likely will, be scrutinised by other staff. These actions really start to define the culture – what the company will or won't tolerate, as well as the manner in which staff are treated.

Equally important is the way in which clients are treated by the leaders. If we say we value outstanding customer service then we better back this up by our own behaviour.



Roger Olds... "Engineers are very good at collecting and dealing with facts as part of their training, but when it comes to nontechnical or emotional issues, this training can be lost. The belief that an interpretation is a fact can be very powerful."

Much of a leader's time is spent having conversations and it is critical to realise the power and importance of the conversations you have and even the ones you choose not to have. The course distinguished five types of conversation, the sequence of which is critical to efficiently achieving the desired action. For instance, it is very difficult to talk to people about implementing a plan if they are still carrying baggage from previous events. It is therefore important to understand the type of conversation that will help people to move forward.

One of the most important parts of a

conversation is listening. When listening to someone, ask yourself whether you are really hearing what they are saying or simply having your own background conversation and preparing for what you want to say next. Practise listening by repeating to the person what you think they have meant. Poor listening will be particularly prevalent if each person is in a different type of conversation.

Another important aspect of a conversation is to be aware that everything you say may be heard in a different context to how you think you speak it.

A very valuable tool in conversation is

to separate facts from interpretations. Often emotions lead people to very different interpretations of the same factual data. Engineers are very good at collecting and dealing with facts as part of their training, but when it comes to nontechnical or emotional issues this training can be lost. The belief that an interpretation is a fact can be very powerful.

This can be detrimental to any conversation, if it is not recognised and dealt with effectively. It might take several conversations before the path forward is cleared.

How much time a leader devotes to this task needs to be carefully weighed up with each individual. It is an expensive exercise in time, but will reap rewards in either clearing the path, or letting go of those with whom this is not possible.

Another important issue for leaders is to understand who they are themselves. This may take some delving into your past. Do you resort to certain behaviours in tough situations? Are you acting in alignment with the vision and values that you espouse when things get tough?

Consistently aligning your own behaviour and actions with the vision and values of the company is probably the most important thing you can do.

As a leader you must become aware of what you are doing well and what you are not doing so well.

In my case I found that two of my behavioural characteristics served me well and not so well at the same time. I could trace them back to school, where they had made me quite successful. They were courage and self-reliance. The latter was quite hard for me to identify as a natural style as I am committed to teams and played lots of team sport. However, I realised that I had always been willing to cover gaps in the team by fixing things myself instead of holding people to their accountabilities.

While I was comfortable that courage would continue to be an attribute I would need to display going forward, I could equally see that self-reliance would impede the growth of Coffey. Having no operational responsibility but complete accountability for the group performance

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meant that I would have to learn to rely heavily on my operational managers and move from my natural style of being the captain of the team, leading by example and making lots of decisions, to being the coach who was able to step back and create the space for others to play in.

This realisation was both powerful and intimidating. I had learned to rely on myself for over 30 years and had generally delivered good results using this tried and tested method. I wondered whether I could change.

Looking at my situation I realised I already had allowed two areas of our business, of which I knew less, the space to run themselves, with great success. Therefore I knew that it was possible, provided I had the right people in the right roles.

To increase our confidence we ran a trial period for six months with our preferred candidate running the consulting business, and then, after a successful transition, we made the appointment permanent effective at 1 July 2003.

Knowing my previous style of leadership, the incumbent was cautious, fearing that I might undermine his authority by stepping into the business and making decisions. Given my commitment to changing myself as a leader, I was confident I would be able to hold back and play coach.

Looking back we have all been pleasantly surprised with how easy it has been. Our consulting business has been growing significantly and I have moved on to implementing the growth plans of the public company.

When I commenced the leadership course, Coffey was valued at \$16 million, according to the share price. We had ac-

quired another company in 2000 and this had lost us the equivalent of one year of profit. I commenced the course with a three-year goal to put Coffey on the radar screen of investors and to make being a publicly listed company worthwhile. I believed that having access to public capital would be valuable in reaching our long-term vision to be an international specialist consulting company.

I set a three-year target value and, when it became clear that our businesses would not grow at the speed we needed, we developed a plan to fill the gap with acquisitions. We are now well on track to meeting our objectives by the end of the 2005 financial year, with the company currently valued at about \$170 million.

To consolidate Coffey's success, the company enrolled its nine senior managers in the course I attended three years ago. They have just completed it.

Leadership is about behaviour and language that create a vision and enrol people to follow a path that is worthwhile for them. ●

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